



THE MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS ACT: **PROVIDING WHEELCHAIRS FOR SENIORS, SAVING MONEY WHEN MEDICARE PAYS**

Medicare beneficiaries who use durable medical equipment (DME) such as walkers or diabetes testing supplies can normally use the devices on a rent-to-own basis, with payments spread out over a 13-month rental period as a cost-effective method of purchase. However, current law allows the complete purchase of power wheelchairs through Medicare in the first month of use, concentrating costs up front for the program and for the taxpayers who fund it. The provision in the Medicare Improvements for Patients and Providers Act of 2008 requires power wheelchairs be obtained through the more cost-effective rent-to-own method used for all other DME.

The bill carefully takes into account the vulnerability of seniors who need power wheelchairs and ensures that access to these devices is not limited. The reform saves money, limits fraud, and makes sense for beneficiaries and taxpayers alike:

- **Power chair payments will be more like payments for other medical equipment:** Medicare only offers this up-front purchase option for power chairs; it does not provide the same choice for any other item of DME.
- **Paying over time will save precious Medicare funds:** Since suppliers close a first-month sale with the vast majority of Medicare patients using power wheelchairs, Medicare effectively finances suppliers' acquisition of all the equipment, paying more – due to inflation – than it would cost to make no-interest payments over a period of time. Paying over time will also keep Medicare from fully purchasing chairs not needed for 13 months or more.
- **Paying over time reduces opportunities for fraud:** The Office of the Inspector General at the Department of Health and Human Services has found evidence of fraudulent activity by criminals posing as durable medical suppliers. A first-month purchase option allows fly-by-night fraudsters to set up temporary, fake wheelchair supply companies, take full payment for equipment that is never delivered, and shut the operation down before a Medicare audit discovers the problem. Requiring payment for power wheelchairs over 13 months eliminates this opportunity for thieves defrauding seniors and taxpayers through Medicare.
- **Improvements to the rental payment schedule will help suppliers cover necessary costs – ensuring that seniors always have access to the power wheelchairs they need:** In the few cases when power wheelchairs are purchased over time, Medicare currently pays ten percent of the cost of the chair in each of the first three months, and 7.5 percent over the remaining 10 months of the payment period. The Medicare Improvements for Patients and Providers Act increases the allocation to 15 percent in each of the first three months. Suppliers will receive 45 percent of the total Medicare price – more than half of their wholesale costs – within 90 days of renting the equipment to a beneficiary. This is intended to assist suppliers in financing up-front costs of these devices to ensure beneficiaries may obtain them when needed.
- **Seniors needing personalized wheelchairs will get exactly what they need – and retain the first-month purchase option:** Because some patients with complex conditions require unique wheelchairs, rental arrangements do not always make sense. The first-month purchase option will continue for the approximately 10 percent of patients who need such modifications.